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Malvern U. Griffin III SUTHERLAND ASBILL & BRENNAN LLP 999 Peachtree Street, N.E. Atlanta, GA 30309-3996			EXAMINER BORLINGHAUS, JASON M	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* IAN M. DRYSDALE
9

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11 Appeal 2008-0921
12 Application 09/466,271
13 Technology Center 3600
14

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16 Decided: December 4, 2008
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18
19 *Before* HUBERT C. LORIN, ANTON W. FETTING, and STEVEN D.A.
20 McCARTHY, *Administrative Patent Judges*.

21
22 FETTING, *Administrative Patent Judge*.
23

24 DECISION ON APPEAL
25 STATEMENT OF THE CASE

26 Ian M. Drysdale (Appellant) seeks review under 35 U.S.C. § 134 of a
27 final rejection of claims 1-8 and 10-20, the only claims pending in the
28 application on appeal.

29 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
30 (2002).

1 We AFFIRM.

2 The Appellant invented a way of performing a card transaction using
3 the Internet to facilitate processing of the transaction (Specification 1:4-5).

4 An understanding of the invention can be derived from a reading of
5 exemplary claim 1, which is reproduced below [bracketed matter and some
6 paragraphing added].

7 1. A method of performing a transaction using a
8 transaction card, the method comprising:
9 [1] accessing a web server of a merchant service
10 provider

11 via an Internet service provider
12 using a transaction device
13 during a transaction involving a
14 transaction card,

15 [1a] wherein the web server includes
16 commands
17 for processing transaction information
18 associated with the transaction card
19 to obtain authorization from the
20 merchant service provider for the
21 transaction; and

22 [2] entering the transaction card into a card reader
23 of the transaction device

24 in order to enter transaction
25 information associated with the
26 transaction card into the web server
27 during the transaction;

28 [3] wherein the transaction device does not utilize
29 any merchant service provider proprietary software
30 for the transaction information to be
31 processed to obtain authorization
32 from the merchant service provider
33 for the transaction;

34 [4] wherein the transaction device accesses the
35 web server

[4a] without accessing any merchant
service provider proprietary network.

This appeal arises from the Examiner's final Rejection, mailed August 2, 2006. The Appellant filed an Appeal Brief in support of the appeal on January 8, 2007. An Examiner's Answer to the Appeal Brief was mailed on April 5, 2007. A Reply Brief was filed on May 16, 2007.

PRIOR ART

The Examiner relies upon the following prior art:

Muftic	US 5,850,442	Dec. 15, 1998
Athing	US 5,987,498	Nov. 16, 1999

PR Newswire, *General Instrument's Digital Interactive Cable TV Set-Top Terminals To Become The Latest New Acceptance Device For Visa Smart Cards*, PR Newswire 1 (December 10, 1998) (Hereinafter referred to as PR Newswire).

Ellis Booker, *New System A Welcome Guest At Hyatt*, 25 Computerworld 51-53 (July 15, 1991) (Hereinafter referred to as Booker).

REJECTIONS

Claims 1-3, 5-8, 10-15, and 17-19 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, and Booker.

Claims 4, 16, and 20 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, Booker, and Athing.

ISSUES

The issues pertinent to this appeal are

- Whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 1-3, 5-8, 10-15, and 17-19 under

1 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, and
2 Booker.

- 3 • Whether the Appellant has sustained its burden of showing that the
4 Examiner erred in rejecting claims 4, 16, and 20 under 35 U.S.C.
5 § 103(a) as unpatentable over Muftic, PR Newswire, Booker, and
6 Athing.

7 The pertinent issue turns on whether the art suggests limitations of
8 server commands in element [1a] and non-proprietary software and networks
9 in elements [3] and [4a] of claim 1.

10

11 FACTS PERTINENT TO THE ISSUES

12 The following enumerated Findings of Fact (FF) are believed to be
13 supported by a preponderance of the evidence.

14 *Muftic*

15 01. Muftic is directed to using smart token technologies and a
16 public key infrastructure to permit world wide electronic
17 commercial transactions to be implemented in a highly secure
18 manner over an open network (Muftic 5:38-41). Smart tokens
19 include cards such as smart cards (Muftic 1:18-22).

20 02. Muftic provides a network that includes user terminals
21 equipped with the ability to read and/or write smart tokens
22 containing cryptographic keys. A security server certifies the
23 public keys of users registered to engage in commercial
24 transactions or the public keys of other security servers. The
25 network is arranged so that encryption keys from a smart token
26 may be authenticated by one or more security servers and used to

1 ensure the origin and authenticity of electronic transactions
2 conducted using said user terminals and servers. (Muftic 7:1-15).

3 03. Muftic describes conducting electronic commerce over an
4 unsecured network by authenticating information placed on at
5 least one server of the network, accessing the information,
6 ordering a product or services after accessing said information by
7 sending an electronic message, and authenticating said electronic
8 message as to origin. (Muftic 7:24-31).

9 04. Muftic is also directed to a method of conducting electronic
10 commerce over an unsecured network by registering users in a
11 public key infrastructure system and certifying one or more public
12 keys for each user and by authenticating electronic transactions
13 using a certified public key. In this way, the binding between a
14 public key and a user can be authenticated. This method has
15 applicability to a number of business transactions such as in
16 authenticating offers, counteroffers and acceptance in a contract
17 negotiations process; authenticating offers, bids and/or
18 confirmations of sale in an auction process; authenticating a
19 guarantee; authenticating orders and/or payments in a
20 purchase/sell transaction; authenticating transfers of intangible
21 personal property; authenticating tender offers and/or one or more
22 tenders of shares of stock; authenticating certificates of insurance;
23 authenticating transfers of intangibles related to an escrow
24 transaction and authenticating transfers of electronic money.
25 (Muftic 7:45-62).

26 *Athing*

05. Athing is directed to a computer network communication system collecting messages from multiple electronic sources in a common format that is selectable by the user after first receiving charge account information from the user such that the provider of the communication system can recoup costs associated with providing the system (Athing 2:39-46).

PR Newswire

06. PR Newswire is directed to describing how General Instrument's (GI) broadband digital network system would accept Visa branded multi-function smart cards by making the Visa Open Platform available to broadband network operators and implementing it on advanced interactive digital set-tops and systems. The Visa Open Platform is a flexible non-proprietary platform that enables the fast and easy development of globally interoperable multiple application smart card systems (PR Newswire:Abstract).

07. PR Newswire describes Visa's Open Platform as a collection of specifications and technologies that define the foundation for the deployment and growth of the secure, multifunction smart card. With the Visa Open Platform, software developers can create programs that run on a wide variety of chips and operating systems, enabling banks and financial institutions to develop their own smart cards on which they can run numerous programs, providing their customers with a broad array of value-added functions. A strong proponent of open systems, Visa International has made the Visa Open Platform specification freely available to

all interested parties (PR Newswire 2:About The Visa Open Platform).

Booker

08. Booker is directed to describing how Hyatt Hotels Corp. migrated to UNIX by replacing its central IBM mainframe-based reservation system with a relational database management system on multiple UNIX processors. The hospitality chain has saved money and achieved better response time. Hyatt also switched from customized software to a commercial relational database management system and moved from a proprietary to a nonproprietary wide area network. The new reservation system has resulted in more than a 20% cost savings over the old system, which cost \$7 million to \$8 million per year in leasing fees and maintenance. The greatest benefit of the new hardware and software platforms is allowing Hyatt to respond quickly to changes in the marketplace (Booker:Abstract).

09. Booker describes the appeal of Unix as twofold. First, systems can be deployed rapidly. Just as important, however, the environment is scalable. You can use the same application for very small operations with a couple of terminals to a hotel with 3,000 rooms and 100 terminals. In addition, a common systems approach makes it far easier to transfer management around the company's many properties (Booker 3:Fifth ¶).

10. Booker describes how Hyatt concluded that proprietary on-line transaction processing schemes might not be the be-all and end-all of transaction processing (Booker 4:Fourth ¶).

Facts Related To The Level Of Skill In The Art

11. Neither the Examiner nor the Appellant has addressed the level of ordinary skill in the pertinent arts of systems analysis and programming, ecommerce, network design, financial transaction protocol programming, network security design, and commercial transaction systems design. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Facts Related To Secondary Considerations

12. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted “in view of the

specification” without importing limitations from the specification into the claims unnecessarily).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” 35 U.S.C. § 103(a) (2000); *KSR Int’l v. Teleflex Inc.*, 127 S. Ct. 1727, 1729-30 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that the obviousness analysis is bottomed on several basic factual inquiries: “[1] the scope and content of the prior art are to be determined; [2] differences between the prior art and the claims at issue are to be ascertained; and [3] the level of ordinary skill in the pertinent art resolved.” 383 U.S. at 17. *See also KSR Int’l v. Teleflex Inc.*,

127 S. Ct. at 1734. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, at 1739.

“When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740.

“For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.” *Id.*

“Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 1742.

Automation of a Known Process

It is generally obvious to automate a known manual procedure or mechanical device. Our reviewing court stated in *Leapfrog Enterprises Inc. v. Fisher-Price Inc.*, 485 F.3d 1157 (Fed. Cir. 2007) that one of ordinary skill in the art would have found it obvious to combine an old electromechanical device with electronic circuitry

to update it using modern electronic components in order to gain the commonly understood benefits of such adaptation, such as decreased size, increased reliability, simplified operation, and reduced cost . . . The combination is thus the adaptation of an old idea or invention . . . using newer technology that is commonly available and understood in the art.

Id. at 1162.

1 *Obviousness and Nonfunctional Descriptive Material*

2 Nonfunctional descriptive material cannot render nonobvious an
3 invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d
4 1336, 1339 (Fed. Cir. 2004). *Cf. In re Gulack*, 703 F.2d 1381, 1385 (Fed.
5 Cir. 1983) (when descriptive material is not functionally related to the
6 substrate, the descriptive material will not distinguish the invention from the
7 prior art in terms of patentability).

8
9 ANALYSIS

10 *Claims 1-3, 5-8, 10-15, and 17-19 rejected under 35 U.S.C. § 103(a) as*
11 *unpatentable over Muftic, PR Newswire, and Booker.*
12

13 The Appellant argues independent claims 1, 11, and 12 as a group and
14 relies on these arguments to support claims 2-3, 5-8, 10, 13-15, and 17-19.
15 We therefore treat these claims as argued as a group.

16 Accordingly, we select claim 1 as representative of the group.
17 37 C.F.R. § 41.37(c)(1)(vii) (2007).

18 The Examiner found that Muftic described all the limitations of claim
19 1 except for the non-proprietary software in limitation [3] and network in
20 limitation [4]. The Examiner found that PR Newswire and Booker described
21 the motivation for using non-proprietary software and networks and
22 concluded it would have been obvious to a person of ordinary skill in the art
23 to have used such non-proprietary software and networks in implementing
24 Muftic (Answer 4-8).

25 The Appellant contends that Muftic fails to describe the web server
26 commands for processing transaction information associated with a
27 transaction card to obtain authorization from the merchant service provider

1 for a transaction (Appeal Br. 10-11) and that PR Newswire and Booker fail
2 to describe a complete lack of proprietary software and networks, nor do
3 they describe use of such software and networks for financial transactions to
4 obtain merchant service provider authorization (Appeal Br. 11-12).

5 We disagree with the Appellant. Initially, we find that the remaining
6 limitations are uncontested and that Muftic describes those remaining
7 limitations (FF 01-04).

8 The Appellant contends that the issue of whether Muftic describes the
9 commands in limitation [1] was decided in the February 14, 2005 Board
10 Decision (Appeal No. 2004-1809) in this same application (Appeal Br.
11 10:First full ¶). We find that the earlier Decision did not fully resolve this
12 issue, but only found that the portion of Muftic cited by the Examiner failed
13 to present a prima facie case (Board Decision:2-3). The Examiner cites
14 Muftic column 7 in the instant Answer. This was not brought to the
15 attention of the earlier panel, and the earlier panel did not make any findings
16 as to this portion of Muftic. In particular, this portion describes commands
17 on a web security server that certifies the keys used in encrypting and
18 decrypting and authenticating commercial transactions such as ordering
19 products and services (FF 02-04).

20 The Appellant further argues that Muftic authenticates a transaction
21 and that this is not an authorization used to ensure that a transaction
22 involving a card is approved by a merchant service provider (Reply Br. 5:
23 Bottom ¶). We find this argument is not commensurate with the scope of
24 limitation [1]. Any online purchase transaction that is consummated
25 necessarily includes an approval by the provider. Otherwise the transaction
26 would remain unconsummated, because a commercial transaction requires

1 agreement, which includes approval, by all parties. Since such
2 authentication by Muftic is performed within all portions of a commercial
3 transaction, it necessarily occurs within the merchant service provider
4 approval portion of the transaction, and is thus a command used to obtain
5 authorization for the transaction.

6 The Appellant next argues that PR Newswire and Booker fail to
7 describe the practice of not using any proprietary software for authorization
8 (Appeal Br. 11:First full ¶), and that Booker's non-proprietary network is
9 actually proprietary because it is Hyatt's network (Appeal Br. 12). As such,
10 the Appellant appears to be arguing that physically incorporating PR
11 Newswire and Booker into Muftic would fail to reach the claim limitations.

12 "The test for obviousness is not whether the features of a secondary
13 reference may be bodily incorporated into the structure of the primary
14 reference Rather, the test is what the combined teachings of those
15 references would have suggested to those of ordinary skill in the art." *In re*
16 *Keller*, 642 F.2d 413, 425 (CCPA 1981). *See also In re Sneed*, 710 F.2d
17 1544, 1550 (Fed. Cir. 1983) ("[I]t is not necessary that the inventions of the
18 references be physically combinable to render obvious the invention under
19 review."); and *In re Nievelt*, 482 F.2d 965, 968 (CCPA 1973) ("Combining
20 the *teachings* of references does not involve an ability to combine their
21 specific structures.").

22 PR Newswire describes the benefits of non-proprietary software for a
23 flexible platform that enables the fast and easy development of globally
24 interoperable multiple application systems (FF 06) so software developers
25 can create programs that run on a wide variety of chips and operating
26 systems, enabling institutions to develop their own products on which they

1 can run numerous programs, providing their customers with a broad array of
2 value-added functions (FF 07). Booker describes the benefits of a non-
3 proprietary network, such as UNIX, to achieve cost savings and to allow
4 quick response to changes in the marketplace (FF 08). Booker further
5 describes how on a non-proprietary network, one can develop scalable
6 applications (FF 09). The Appellants have not argued that the functionality
7 of proprietary and non-proprietary software and networks would differ.
8 There is no reason they should, since the distinction is one of ownership,
9 control, and transparency, not functionality. Since there is no distinction in
10 how Muftic would operate irrespective of whether its software and network
11 is proprietary, the reasons for selecting non-proprietary versions described
12 by PR Newswire and Booker would have motivated one of ordinary skill to
13 select non-proprietary versions. As to the Appellants' argument that
14 ownership implies a proprietary nature, we find that acquiring a license to
15 non-proprietary software and networks, as was done in Booker and PR
16 Newswire, does not confer proprietary ownership over the software and
17 networks and therefore does not change them to proprietary versions.

18 The Appellant has not sustained its burden of showing that the
19 Examiner erred in rejecting claims 1-3, 5-8, 10-15, and 17-19 under
20 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, and Booker.

21
22 *Claims 4, 16, and 20 rejected under 35 U.S.C. § 103(a) as unpatentable over*
23 *Muftic, PR Newswire, Booker, and Athing.*

24
25 The Appellant relies on the arguments in support of claims 1-3, 5-8,
26 10-15, and 17-19, which we found to be insufficient to overcome the

Appellant's burden *supra*. The Appellant has therefore not sustained its burden of showing that the Examiner erred in rejecting claims 4, 16, and 20 under 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, Booker, and Athing.

CONCLUSIONS OF LAW

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 1-8 and 10-20 under 35 U.S.C. § 103(a) as unpatentable over the prior art.

DECISION

To summarize, our decision is as follows:

- The rejection of claims 1-3, 5-8, 10-15, and 17-19 under 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, and Booker is sustained.
- The rejection of claims 4, 16, and 20 under 35 U.S.C. § 103(a) as unpatentable over Muftic, PR Newswire, Booker, and Athing is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

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